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Proposed Counsel to the Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

ConnectEdu, Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 14-11238 (SCC)

(Jointly Administered)

**NOTICE OF AGENDA OF MATTERS SCHEDULED
FOR HEARING ON MAY 29, 2014 AT 2:00 P.M.**

**Time and
Date of Hearing:**

May 29, 2014 at 2:00 P.M. (prevailing Eastern Time)

Location of Hearing:

The Honorable Shelley C. Chapman
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Room 621
New York, New York 10004

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: (1) ConnectEdu, Inc. (8132) and its direct subsidiaries: (2) Experience, Inc. (0757); and (3) Academic Management Systems, Inc. (0844). The location of the Debtors' corporate headquarters is 600 Atlantic Avenue, 20th Floor, Boston, MA 02210.

Copies of Motions: A copy of each pleading can be viewed and/or obtained by:
(i) accessing the Court's website at www.nysb.uscourts.gov; or
(ii) contacting the Office of the Clerk of the Court at One Bowling Green, New York, New York, 10004.

Note that a PACER password is needed to access documents on the Court's website.

I. DEBTORS' MOTIONS

A. “Cash Collateral Motion” – Debtors’ Motion for Entry of Interim and Final Orders (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing [Docket No. 15].

1. Related Documents:

- a. Notice of Filing of Bankruptcy Petitions, First Day Pleadings and Notice of First Day Hearing [Docket No. 19].
- b. Notice of Filing of Budget in Connection With Debtors Motion For Entry of Interim and Final Orders (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing [Docket No. 22].
- c. Affidavit of Service re: First Day Pleadings Served on April 30, 2014 [Docket No. 23].
- d. Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hear [Docket No. 33].
- e. Notice of Hearing - Second Interim Hearing on Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Modifying the Automatic Stay, and (iv) Scheduling a Final Hearing [Docket No. 40].
- f. Second Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing [Docket No. 52].
- g. Affidavit of Service re: 1) Second Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing signed on 5/7/2014; 2) Debtors' Motion For Orders (I) Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date and (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption

and Assignment of Certain Executory Contracts and Unexpired Leases; and 3) Notice of Presentment re: Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date [**Docket No. 65**].

- h. Third Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing [**Docket No. 79**].

2. **Previous Objections (prior interim orders):**

- a. Objection to Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, and (IV) Schedule a Final Hearing [**Docket No. 24**].
- b. Objection to Motion Limited Objection of Shareholders' Representative to (A) Debtors' Motion for Entry Of Interim and Final Orders (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection (III) Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing And (B) Debtors' Motion for Entry of Interim and Final Orders Authorizing the Debtors to (I) Maintain Their Existing Bank Accounts and Cash Management System; (II) Continue to Use Their Existing Business Forms and Records; and (III) Maintain Existing Investment Practices [**Docket No. 47**].

3. **Status:** The request for entry of a fourth interim cash collateral order will go forward.

B. **“Sale Hearing”** – Sale Hearing pursuant to Debtors’ Motion For Orders (I) Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date and (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases [**Docket No. 55**].

Sale Objection Deadline: May 28, 2014 at 11:00 a.m. (prevailing Eastern time)

Assumption Objection Deadline: May 27, 2014 at 9:30 a.m.

1. **Related Documents:**

- a. Notice of Presentment re: Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date [**Docket No. 56**].
- b. Affidavit of Service re: 1) Second Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III)

Modifying the Automatic Stay, and (IV) Scheduling a Final Hearing signed on 5/7/2014; 2) Debtors' Motion For Orders (I) Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date and (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and 3) Notice of Presentment re: Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date [**Docket No. 65**].

- c. Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices and (C) Hearing Date [**Docket No. 72**].
- d. Notice of Assumption and Assignment of Executory Contract or Unexpired Lease [**Docket No. 77**]
- e. Notice of Sale of Certain Assets at Auction [**Docket No. 82**]
- f. Notice of Auction and Sale Hearing [**Docket No. 119**]

2. **Previous Objections (bidding procedures):**

- a. Objection to Proposed Order Approving Bidding Procedures [**Docket No. 67**].
- b. Limited Objection And Reservation Of Rights Of Stockholders' Representative With Respect To Debtors' Motion For Orders (i) Approving (a) Bidding Procedures, (b) Form And Manner Of Sale Notices, And (c) Sale Hearing Date And (ii) Authorizing And Approving (a) Sales Of Substantially All Of Their Assets Free And Clear Of Liens, Claims, And Encumbrances And (b) Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases [**Docket No. 69**].
- c. Objection to Motion/Proposed Order Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date [**Docket No. 70**]

3. **Objections:**

- a. Objection of CaseNEX LLC to Debtors' Motion for Orders (I) Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date and (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and to Debtors' Proposed Assumption and Assignment of Executory Contracts [**Docket No. 91**]

- b. Objection of the New York State Education Department to Debtors' Motion for Orders (I) Approving (A) Bidding Procedures, (B) Form and Manner of Sale Notices, and (C) Sale Hearing Date and (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and to Debtors' Proposed Assumption and Assignment of Executory Contracts **[Docket No. 103]**
- c. Limited Objection of The Federal Trade Commission to Debtors' AMS Sale Motion and Motion to Sell Substantially All Assets **[Docket No. 108]**
- d. Texas Education Agency's Objection to Sale Motion and Proposed Assumption and Assignment of Certain Contracts **[Docket No. 112]**
- e. Objection of IBM and Montana Office of Public Instruction to Assumption and Assignment of Contracts with Debtor **[Docket No. 117]**
- f. Objection of the National Academy Foundation to the Debtors' Proposed Assumption and Assignment of Executory Contracts **[Docket No. 121]**
- g. Limited Objection of LaSalle University to Debtors' Notice of Assumption and Assignment of Executory Contract Or Lease (Doc. 77) and Debtors' Motion for Orders ... (II) Authorizing and Approving (A) Sale of Substantially All of Their Assets Free and Clear of Liens, Claims, and Encumbrances and (B) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and to Debtors' Proposed Assumption and Assignment of Executory Contracts **[Docket No. 124]**
- h. Objection of Massachusetts Educational Financing Authority to Proposed Assumption and Assignment of Its Contracts Pursuant to Section 365(d)(1)(A) and (b) of the Bankruptcy Code and Reservation of Rights **[Docket No. 127]**

2. **Status:** At the conclusion of the Auction held on May 27, 2014, the Debtors selected three separate Successful Bids for three separate lots of assets. The Sale Hearing will go forward on May 29, 2014 at 2:00 p.m. (prevailing Eastern time) with respect to the assets of Debtor Experience, Inc. and the sale of the NYSED Agreement. **The Adequate Assurance Objection Deadline for any contracts to be assumed and assigned pursuant to such sales is May 29, 2014 at 1:30 p.m. (prevailing Eastern time).**

The Sale Hearing with respect to the remaining assets of Debtor ConnectEdu that are used in, related to or otherwise associated with the

ConnectEdu, Epselin or E&R business lines has been adjourned to June 2, 2014 at 2:00 p.m. (prevailing Eastern time). **The Adequate Assurance Objection Deadline for any contracts to be assumed and assigned pursuant to such sale is June 2, 2014 at 1:30 p.m. (prevailing Eastern time).** A separate agenda for the June 2, 2014 hearing will be filed with the Court.

The Debtors and the Successful Bidders continue to work with all objecting parties in an effort to resolve their objections. To the extent the Debtors and the Successful Bidders are unable to resolve any objections concerning the assumption and assignment of any contracts, including any objections to adequate assurance of future performance, the Debtors will request entry of orders approving the sale(s) notwithstanding such objections and will endeavor to resolve any outstanding objections prior to closing of the sale(s).

Dated: May 28, 2014
New York, New York

Respectfully submitted,

LOWENSTEIN SANDLER LLP

/s/ Sharon L. Levine

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